MCI Telecommunications Corporation

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Leonard S. Sawicki
Director
FCC Affairs

EX PARTE

April 5, 1996

Mr. William F. Caton
Secretary
Federal Communications Commission
Room 222
1919 M Street NW
Washington, D.C. 20554

Re: CC Docket 95-116: Local Number Portability

Dear Mr. Caton:

On April 4, Woody Traylor, Loretta Garcia, Beth Kistner and I met with Richard Metzger and Jeannie Su of the Common Carrier Bureau. The purpose of the meeting was to review MCI's position in this proceeding. The attached slides were used during the meeting and detail the matters discussed. MCI also provided a section from the California Local Number Portability Task Force Report.

Sincerely,

Leonard S. Sawicki

Attachments

cc: Mr. Metzger
Ms. Su

LOCAL NUMBER PORTABILITY

MCI Telecommunications Corporation

1996 Telecom Act and Local Number Portability (LNP)

- *Statute Defines LNP:*
  - *"Ability of users of telecommunications services to retain, at the same location,* ***existing*** *telecommunications numbers* ***without impairment of quality, reliability or convenience*** *when switching from one telecommunications carrier to another."*

Local Routing and Numbering (LRN) as Call Model

- *FCC Should Adopt LRN as Model for LNP.*
- *Majority of Carriers Nationwide Have Identified LRN as The Best Call Model.*

NYNEX	*MFS*	*AirTouch*
Bell Atlantic (Maryland)	*TCG*	*MediaOne*
Bell South	*Sprint Centel*	*CCTA*
Ameritech	*GTE (Illinois)*	*Sprint (LD)*
Time Warner	*US West*	*Cox*
MCI	*ATT*	*ELI*

LRN as Call Model for LNP

- *All Major Switch Vendors Cooperated on Development of Switch Software.*
- *Initial Switch Requirements Completed - 11/95.*
- *Software is Scheduled for General Availability by Mid-1997.*
- *Failure to Order Implementation of Industry Consensus Now Rewards RBOC Agenda to Delay.*

FCC Should Adopt Date Certain for LNP Implementation

- *State Workshops (e.g., Illinois) Prove LNP Implementation is Feasible by 9/97.*
- *Switch Software Generally Available by 6/97.*
- *SMS Operational by 1Q/97 in Illinois.*
- *Network Operations, Operator Services, Rating and Billing Implementation Commenced.*

FCC Must Eliminate RBOC Incentives to Delay

- *Two Major Revenue Incentives:*

  - *Revenue Streams from RCF/DID.*
  - *RBOCs Want to Keep Access Revenues for Calls to CLECs for RCF/DID.*

- *Insulates RBOCs from Virtually All Access Competition.*

What Should FCC Do About Financial Incentives to Delay

- *Require Competitively Neutral Pricing for RCF/DID - Rochester Model.*
- *Peemption is Appropriate under Sec.251(e).*
- *Require RBOCs to Remit Access Revenues to CLECs From Calls Ported Via RCF/DID.*
- *Illinois Model - Parties Agree on Principle to Provide Access Revenues to CLECs.*

Release-to-Pivot, Query-on-Release and Other Anti-Competitive Routing Schemes

- *Not Competitively Neutral - Does Not Treat All Calls the Same.*
- *Forces CLECs Dependence on Incumbents.*
- *Delays Real LNP Availability*
- *No Assurance RTP Will Be Transparent to End Users.*
- *RTP and QOR Increase Trunking Costs.*

The FCC Must Act to Implement LNP

- *Require Competitively Neutral Pricing for RCF/DID.*
- *Require RBOCs to Remit Applicable Access Revenues to CLECs for RCF/DID Routed Calls.*
- *Adopt Database Solution With Neutral Third Party Administration.*
- *Set 9/1/97 as Date by which LNP Must Be Provided.*

The FCC Must Act to Implement LNP

- *Establish Reporting Milestones for Tracking LNP Progress.*
- *Establish Penalties for RBOC-Induced Delays past 9/1/97.*
- *Establish Requirement that Prohibits a LEC From Subjecting Interoffice Calls to Ported Numbers to Routing That is Less Direct than the LEC's Routing of its Own Non-Ported Interoffice Calls.*

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the Commission's Own Motion into Competition for Local Exchange Service.	)	R.95-04-043
Order Instituting Investigation on the Commission's Own Motion into Competition for Local Exchange Service.	)	I.95-04-044

CALIFORNIA
LOCAL NUMBER PORTABILITY
TASK FORCE
REPORT

February 29, 1996

SUBMITTED BY:

Patricia L. vanMidde	Jerry Abercrombie	Woody Traylor
AT&T	Pacific Bell	MCImetro
Task Force Co-Chair	Task Force Co-Chair	Task Force Co-Chair

Ondrea Dae Hidley
GTE California Incorporated
Drafting Committee Chair

Attachment 3

Cost Information Submitted by

AT&T

GTE

and Pacific Bell

Local Number Portability Economic Assessment

Kevin Moisan
Pacific Bell

December 15, 1995

Alternatives Considered

- MCI - Carrier Portability Code
- AT&T - Location Routing Number
- GTE - Non-geographic number
- Pacific Bell - Release to Pivot

Task Force Assumptions

1. Only total costs figures will be made public - proprietary information will not be shared.
2. Implementation date for Service Provider Number Portability will be 1/1/97
3. Implementation will take 5 years.
4. Percentage of the network that is SPNP capable as a function of implementation year: year 1 - 40%, year 2 - 30%, year 3 - 20%, year 4 - 5%, and year 5 - 5%
5. Discount rate = 10%
6. 100% of switches are donor switches
7. If switch replacement costs are included in the total cost figure it must be so noted
8. Current SS7 deployment costs are not to be included unless required as a result of SPNP
9. Only 50% of the implementation costs of a required network capability (e.g., AIN or IN) for a given proposal are to be included if the capability is not scheduled to be added.
10. Total cost figures will not include SMS costs
11. Costs are to be determined on a service provider network-wide basis
12. Costs should be determined for individual network items (e.g., DMS 100 and 5ESS) but only the total should be input to this matrix

Pacific Bell Assumptions

- Present capabilities for network elements were used
- Costs for network elements (e.g., STPs) were not distributed unless multiple elements were required
- Incumbent network must be sized to accommodate additional traffic generated by default routing
- CPC will migrate to LRN after 12 months*
- Traffic load assumed was 245,000,000 calls/day

Pacific Bell Assumptions

- No 911 costs for single number solutions assumed
- SSP-STP A-links engineered @ 0.4 Erlang
- STP-SCP A-links engineered @ 0.3 Erlang
- 10 Digit GTTs were performed at an SCP

Economic Assessment Exceptions

- The following line items in the Economic Assessment Matrix have not been completed and are not included in the bottom line figures presented:

  -Line 2 & 3 for all alternatives (Real time effects)

  -Line 5 - (Changes to make existing services work)

  -

  -Line 10 - (Additional interoffice facilities)

  -Lines 16, 17, & 18 (OSSs)

Results

- MCI - Carrier Portability Code:
  - -Initial Cost (1997 dollars) = $175,000,000
  - -Recurring Cost (1997 dollars) = $29,000,000
- ATT - Location Routing Number:
  - -Initial Cost (1997 dollars) = $148,000,000
  - -Recurring Cost (1997 dollars) = $26,000,000
- GTE - Non-geographic Number (10% ported traffic):
  - -Initial Cost (1997 dollars) = $102,000,000
  - -Recurring Cost (1997 dollars) = $29,000,000

Results

- GTE - Non-geographic Number (40% ported traffic):
  - -Initial Cost (1997 dollars) = $111,000,000
  - -Recurring Cost (1997 dollars) = $29,000,000
- Pacific Bell - RTP (10% & 40% ported traffic):
  - -Initial Cost (1997 dollars) = $41,000,000
  - -Recurring Cost (1997 dollars) = $17,000,000

To: California Local Number Portability Task Force
From: Jerry Abercrombie, Pacific Bell
Date: January 16, 1996
Subject: Revisions to Pacific Bell's LNP Economic Evaluation (12/15/95)

Attached are two revised view graphs from Pacific Bell's LNP economic evaluation to the California Local Number Portability Task Force meeting on December 15, 1995. Based upon input from our vendors, the cost figures for the Release to Pivot (RTP) solution have been modified and an additional assumption has been listed.

If you have any questions, please call me on (510) 823-1174, or Kevin Moisan on (510) 901-6306. I look forward to seeing you on Thursday, January 18, 1996 at our next Task Force meeting in San Francisco.

Pacific Bell Assumptions

- No 911 costs for single number solutions assumed
- SSP-STP A-links engineered @ 0.4 Erlang
- STP-SCP A-links engineered @ 0.3 Erlang
- 10 Digit GTTs were performed at an SCP
- No SCP application software costs were included

Results

- GTE - Non-geographic Number (40% ported traffic):
  - -Initial Cost (1997 dollars) = $111,000,000
  - -Recurring Cost (1997 dollars) = $29,000,000

- Pacific Bell - RTP (10% & 40% ported traffic):
  - -Initial Cost (1997 dollars) = $102,148,000
  - -Recurring Cost (1997 dollars) = $19,014,000

Revised